



# WHISTLEBLOWING POLICY

## Version History

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## **01. INTRODUCTION**

The Bank seeks to ensure that any staff member who may become aware of unauthorized or inappropriate activity, which may have an adverse impact on the reputation of the Bank, is provided with an appropriate channel to raise such concerns. Protecting the integrity and reputation of HDFC Bank requires the active support of all staff members of the Bank who are required to report such incidents and infringements.

The Bank's Whistleblowing Policy therefore is intended to make it easier for staff members to report in good faith, any serious irregularity without having to fear that their actions may have adverse consequences upon themselves.

Also, there is a possibility that significant good acts and contributions done by the staff may go unnoticed by the Management and they may get discouraged due to lack of appreciation for such acts. With this policy any staff member may bring such acts also to the notice of the Management.

### **Applicability of Policy & Its Effective Date**

- 1.1 This policy which has been in existence, as amended from time to time, applies to all Directors, Management and all other employees of the Bank including those who are on probation/contract or any other person that the Bank through its Board Audit Committee may wish to extend this policy to include a customer, supplier, vendor, service provider who in good faith raises a genuine concern or report incidence of any activity by the Bank or its employee or Director that may constitute an event of concern. The effective date of the policy will be the date which is approved by the Board of Directors.

## **02. OBJECTIVES**

With the Bank's Whistleblowing Policy, it is expected to meet the following objectives.

- 2.1 It enables the Bank to receive in full confidentially all reasonable reports on irregular business conducts and ethical concerns and to handle such matters at the earliest possible stage. It will thereby help protect the Bank's reputation and losses that may be caused due to illegal or unethical activity.
- 2.2 It will safeguard the Bank's integrity as it is aimed at enhancing the Bank's transparency and supporting its systems for combating irregular practices or serious breaches of the Bank's rules, policies and codes.
- 2.3 Although staff members are encouraged and required to report good and bad acts through their normal reporting lines there are certain circumstances where those are not appropriate. By following this policy staff members will be empowered to bypass their immediate superiors if they believe in good faith that such action is necessary to ensure effective action.

- 2.4 It will create an environment of trust and maximum protection for staff members while encouraging them to cooperate in full by divulging potential problems.
- 2.5 It will ensure staff members who report irregularities in good faith are afforded the utmost confidentiality and greatest degree of and most effective protection possible against any retaliation or reprisals, whether actual or threatened, as a result of their whistleblowing.

### **03. SCOPE**

This policy will apply to all staff members and stakeholders of the Bank, irrespective of their position, location or seniority.

Whistleblowing incidents may involve staff members, customers including depositors and borrowers, promoters, contractors, suppliers, beneficiaries or any other persons or entities that participate or seek to participate in activities financed by or involved with HDFC Bank.

### **04. EXCLUSIONS**

- 4.1 Matters relating to employee grievances will not be covered under this policy. Such matters should be referred to ***Staff Grievance Committee***.
- 4.2 Routine and minor concerns relating to day-to-day banking (i.e. minor administrative and other issues) should be raised with the respective line management.
- 4.3 A disciplinary action if any, taken against the Whistle Blower which has occurred on account of poor job performance or misconduct by the Whistle Blower, shall not be protected under this policy. For the sake of absolute clarity, it is specified that the Whistle Blower Policy does not tantamount, in any manner, to dilution of the vigilance mechanism in the Bank. Any protected disclosure made by a whistleblower under this policy, if perceived to have a vigilance angle, shall be referred to the Investigator of the Bank.

### **05. REPORTING OBLIGATIONS**

Every staff member is responsible for reporting in good faith any conduct within the Bank if he/she reasonably believes that one or more of the following irregularities occur or are likely to occur:

- 5.1 A serious breach of any applicable law or government regulation.
- 5.2 A serious breach of the Bank's internal policies, procedures, rules and codes such as the Disciplinary Code, Code of Conduct, Policy on Sexual Harassment etc.
- 5.3 A criminal offence or any other action which may construe to criminal behaviour (including fraudulent actions with regard to accounting matters, financial or regulatory reporting). For example, this would include offenses such as bribery, corruption, coercion, connivance, fraud, theft, money laundering and financing of terrorism and other illegal practices etc.

- 5.4 An action that is significantly detrimental to the Bank and its staff members.
- 5.5 A behavior that involves questionable accounting practices or any other financial impropriety.
- 5.6 A health and safety hazard.
- 5.7 Bullying, harassment and those concerning dignity at work.
- 5.8 A deliberate concealing by another staff member/s of any of the above activities.

## 06. REPORTING PROCEDURE

### 6.1 Mode of Reporting

Incidents may be reported by any staff member either verbally or in writing and should describe the process/seriousness of the risk/ issue/ problem as accurately as possible.

Anonymous letters with no clear identification will not be taken up for action, unless there is an apparent fraud or loss to the bank which can be identified.

### 6.2 Lines of Reporting Incidents.

- 6.2.1 Allegations against staff members up to Assistant General Managers (AGMs) should be reported to **Chief Internal Auditor, Chief Risk Officer, Compliance Officer and Board Audit Committee Chairperson** via one or more of the following methods:

*Mail : **Chief Internal Auditor**, P.O.Box:2085, Sir Chittampalam A Gardiner  
Mawatha, Colombo 02*

*Telephone: Direct – 0112356800 (ext 1902)*

*E-mail : [palika.p@hdfc.lk](mailto:palika.p@hdfc.lk)*

*Mail : **Chief Risk Officer** , P.O.Box:2085, Sir Chittampalam A Gardiner  
Mawatha, Colombo 02*

*Telephone: Direct – 0112356800 (ext 1212)*

*E-mail : [ihalage.n@hdfc.lk](mailto:ihalage.n@hdfc.lk)*

*Mail : **Compliance Officer** , P.O.Box:2085, Sir Chittampalam A Gardiner  
Mawatha, Colombo 02*

*Telephone: Direct – 0112356800 (ext 1304)*

*E-mail : [poornima.l@hdfc.lk](mailto:poornima.l@hdfc.lk)*

*Mail : **Board Audit Committee Chairperson**,*

*E-mail : [kithsiriw@yahoo.com](mailto:kithsiriw@yahoo.com)*

If complain against them they should abstain from attending.

- 6.2.2 **Allegation against Deputy General Managers (DGMs)/ Chief Operating Officer (COO) should be reported to the General Manager/ Chief Executive Officer (GM/CEO) and Board Audit Committee Chairperson via one or more of the following methods.**

**GM/CEO**

*Mail : General Manager/CEO, P.O.Box:2085, Sir Chittampalam A Gardiner Mawatha , Colombo 02*

*Telephone: Direct – 0112356800 (Ext.1501)*

*E-mail : hemal.l@hdfc.lk*

**Board Audit Committee Chairperson**

*Mail : Board Audit Committee Chairperson, No.01/38, Second Land, Koswatta Road, Nawala*

*E-mail : [kithsiriv@yahoo.com](mailto:kithsiriv@yahoo.com)*

- 6.2.3 **Allegation against the Chief Internal Auditor and GM/CEO shall be reported to Board Audit Committee Chairperson via one or more of the following methods.**

*Mail : The Chairperson of the BAC, C/o Board Secretary, P.O.Box:2085, Sir Chittampalam A Gardiner Mawatha , Colombo 02*

*E-mail : bacchairperson@hdfc.lk*

## **07. ACTIONS TO TAKE ON REPORTED GOOD ACTS**

Reported acts shall be verified for confirmation. If the act is confirmed, depending on the significance of the same, the following steps shall be taken.

- Report to the Board of Directors
- Appreciation or Commendation Letter shall be served
- If a significant cost saving to the Bank, cash reward or other form of reward may be considered
- Consider the same for the future promotions
- Notify the other staff of the good act

## **08. BASIS OF INVESTIGATION OF IRREGULARITIES**

The reported incidents will be verified in the appropriate manner and if confirmed, the Bank will take all necessary steps to identify appropriate remedies.

- 8.1 The basic rights of any person implicated by the reported incidents must be respected whilst ensuring that the procedures provided are effective.
- 8.2 All whistleblower reports must be promptly and diligently acknowledged, recorded and screened.

- 8.3 A whistleblower whose report is not considered bonafide or immaterial must be told so (if contact details are available) and such report should be disregarded forthwith.
- 8.4 The information published on social media will be vetted carefully before starting any investigation since some of the information published on social media are defamatory, prejudiced and baseless.

#### **09. PROCEDURE FOR INVESTIGATION**

- 9.1 Chief Internal Auditor will seek concurrence from Board Audit Committee Chairperson to proceed with the investigations on reported incidents.
- 9.2 Chief Internal Auditor will carry out an investigation and submit the report to the GM/CEO with a copy to Board Audit Committee Chairperson.
- 9.3 Disciplinary action will be taken against the staff members who are found to be guilty of any charge by the appropriate Disciplinary Authority defined in the Disciplinary Code of the Bank.
- 9.4 Whistleblowers should be kept informed of the action taken where possible.
- 9.5 Allegations against Chief Internal Auditor and GM/CEO will be decided by the Board Audit Committee Chairperson.

#### **10. REPORTING TO THE BOARD AUDIT COMMITTEE**

Reports should be submitted by Chief Internal Auditor to the Board Audit Committee on the investigated incidents. The report should indicate the observations made during the investigation, material risks, action taken and losses prevented etc. Audit Committee shall oversee whether appropriate disciplinary actions are taken as per the guidelines/policies of the Bank in the event the complaint is found based on the facts.

#### **11. PROTECTION FOR WHISTLEBLOWERS**

- 11.1 Any staff member who reports an irregularity, provided that this is done in good faith and compliance with the provisions of this policy, shall be protected against any acts of retaliation. They will not under any circumstances be subject to reprisal or discriminatory action for Whistleblowing.
  - 11.1.1 **Good Faith** - means the fact that the staff member reasonably believes/ perceives the transmitted information to be true.
  - 11.1.2 **Retaliation** - means any action or threat of action which is unjust and harmful to the whistleblower because of his/her report, including, but not limited to, harassment, discrimination and acts of cruelty, direct or indirect, that are recommended, threatened or taken against the whistleblower.

- 11.2 Staff members who will be called to give evidence in investigations of any allegations reported under this policy shall be protected against any act of retaliation.

## **12. GOOD FAITH AND UNTRUE ALLEGATIONS**

- 12.1 A member of staff must not make malicious or vexatious allegations. If the staff member persists in making baseless allegations against an individual or a group of individuals, disciplinary action may be taken against the staff member, he/she shall not be protected but shall be subject to disciplinary measures.

## **13. CONFIDENTIALITY**

- 13.1 The identity of a person reporting an irregularity shall be treated in confidence. His/her name will not be revealed unless.

13.1.1 The whistleblower personally authorizes the disclosure of his/her identity.

13.1.2 It is a statutory requirement, particularly if it is necessary to ensure the right of the persons concerned to a fair hearing. In such a case, the Bank should notify the whistleblower before revealing his/her identity.

- 13.2 If a whistleblower is considered to have been the victim of retaliation or has good reason to believe or fear as a result of whistleblowing, he/she will be entitled to complain to the Chief Internal Auditor and request protection.

- 13.3 The Chief Internal Auditor shall assess the circumstances of the case referred to it and may recommend to the Board Audit Committee Chairperson, temporary and/or permanent measures that are necessary for the interest of the Bank and with a view to protecting the whistleblower.

## **14. RETALIATORY ACTIONS**

- 14.1 Staff members are required to cooperate in all official investigations, audits or similar queries.

- 14.2 They should not use their position to prevent others from exercising their rights to comply with the Whistleblowing Policy.

- 14.3 Any form of retaliation by a staff member against a whistleblower or any staff who provides evidence in an investigation of allegations under the Whistleblowing policy will not be entertained under any circumstances. Such retaliation will be considered as a breach of the Bank's Disciplinary Code and Code of Conduct.

- 14.4 Disciplinary measures shall be taken in instances of retaliation and the whistleblower should be informed by the Chief Internal Auditor of the measures taken by the Bank following the acts of retaliation. The anonymity of such data must be maintained at all times.

## 15. RIGHTS OF PERSONS IMPLICATED

- 15.1 Any staff member implicated by reports of irregularities must be notified in good time of the allegations made against him/her provided it does not hinder the investigation.
- 15.2 If an irregularity refers to a staff member specifically by name, results of the same should not be revealed until such staff member is given the opportunity for a fair hearing.
- 15.3 The persons against whom allegations have been made will be informed of the objective of the investigation, and fair opportunity given to present objections/explanations. Thereafter GM/CEO shall decide on the suitable measures in the interest of the Bank.
- 15.4 If the investigations of incidents involve dealing with personal data, such data shall be managed to protect the privacy of respective persons.

## 16. OWNERSHIP

Chief Internal Auditor will be responsible for the implementation, monitoring effectiveness and administration of the Whistleblowing Policy and shall obtain the necessary approvals prior to any amendments to these provisions.

## 17. INTERPRETATIONS

In this text,

- The Bank/ Bank mean **HDFC Bank**.
- Employee/ Staff member means any employee in the bank including the Key Management Personnel (KMPs)
- Management means the Board of Directors and General Manager/ Chief Executive Officer and/or the Members of the Senior Management.